

## **Kildale Bidco Limited**

Strategic report, Directors' report and  
financial statements

Registered number 10986970

52-week period ended 31 January 2021



## Contents

Strategic Report	1
Directors' Report	2-3
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	4
Independent auditor's report to the members of Kildale Bidco Limited	5-7
Profit and Loss account and Other Comprehensive Income	8
Balance sheet	9
Statement of Changes in Equity	10
Notes	11-19

## Strategic Report

### Principal activities and review of the business

The principal activity of the company is as an operating company and parent holding company of Ingleby (1951) Limited, and Ingleby (1952) Limited, Apis Limited and Melli Limited as intermediate holding companies, and of Amber Taverns Limited as a public house management company.

The company, as expected, has once again made a loss. This year the loss amounted to £5,360,597 (2020: £5,878,068). Kildale Bidco Limited has net assets of £15,857,915 (2020: 21,218,512).

The Company is part of a group headed by Kildale Topco Limited which has positive net assets at the balance sheet date and has indicated its intention to provide ongoing support to the subsidiaries of the group for at least 12 months from the date of approval of the financial statements and thereafter for the foreseeable future.

The directors have agreed to prepare the accounts on a going concern basis.

Current trading is in line with expectations.

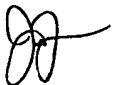
### Risks and uncertainties

This company is an intermediate operating company. It has traded as expected. This company is included within the Group consolidated accounts Kildale Topco Limited. Please refer through to the Group consolidated accounts for further information on the group's economic environment risk, regulatory risk, financial risk management objectives and policies, future developments and key performance indicators.

### Section 172

Please refer through to the Group consolidated accounts (Kildale Topco Limited) where the group's compliance with Section 172 has been detailed.

By order of the board



**J L Jones**  
Director

14<sup>th</sup> October 2021

## Directors' report

The Directors present their annual Directors' report and the audited financial statements for the 52-week period ended to 31 January 2021. The Company was incorporated as a vehicle to acquire the issued share capital of Ingleby (1951) Limited, whose group companies include the trading company Amber Taverns Limited.

### Proposed dividend

The Directors do not recommend the payment of a dividend.

### Directors

The Directors who held office during the period were as follows:

M J Goddard  
J E Baer  
G E Roberts  
J L Jones  
M D George  
S P Frankland

### Qualifying third party indemnity provisions

The directors benefited from qualifying indemnity insurance policies in place during the financial period.

### Going concern

The company reported a Loss of £5,360,597 (2020: £5,878,068) for the 52-week period ended 31 January 2021 and as at 31 January 2021 has net assets of £15,857,915 and net current assets of £47,992,978. The company is an intermediate operating company within the Kildale Topco Limited group.

Kildale Bidco Limited is the intermediate parent of Amber Taverns Limited and provides the finance facilities to all other Group companies. The directors carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and the experience since the re-opening of the estate from May 2021. Kildale Topco Limited have offered continued financial support for the company for the 12 months following the date of approval of these accounts.

Due to the impact of the pandemic and the initial closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants are presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenant tests were comfortably met.

A further reset was replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders indicated their continued support, but they wanted to revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank had not agreed a waiver or amendment of these covenants from April 2021. In April 2021, a further reset was agreed with both lenders which permitted a further deferral of HSBC loan repayments in April and 50% in July. The covenant tests through to 30<sup>th</sup> January 2022 have been waived and replaced with a simple liquidity and ebitda test, thereafter they are on an adjusted test basis to mitigate the impact of the prolonged closure periods due to the nature of most tests looking back on the preceding 12 months. The standard covenant calculations will be reinstated from April 2022 but at amended levels until the legacy of the pandemic has been lapped.

Further support to the business was made available via an equity injection of £3m from the existing shareholders in November 2020 and a further £3.5m has been injected in April 2021 with a further £1.5m received by the end of July 2021.

Management have prepared various forecasts taking into account sensitivities and recent trading performance. Based on management's forecasts, support exhibited by lenders and the ultimate parent company and equity injections provided by shareholders, the directors consider the Company will be able to meet its liabilities as they fall due for the foreseeable future, and therefore continue to adopt the going concern assumption in preparing the financial statements.

#### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

#### **Modern Slavery Act 2015**

In accordance with the requirements of the Modern Slavery Act, the board has reviewed and approved its compliance statement, this can be viewed on the company website [www.ambertaverns.co.uk](http://www.ambertaverns.co.uk)

#### **Strategic Report**

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and reports) regulations 2008 has been included in the separate Strategic Report in accordance with Section 414C (11) of the Companies Act 2006 (strategic Report and Directors' Report) Regulations 2013).



**J L Jones**  
Director

Kildale Bidco Limited  
The Victory Offices  
112 Victory Road  
Blackpool  
FY1 3NW

14<sup>th</sup> October 2021

## **Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILDALE BIDCO LIMITED**

### **Opinion**

We have audited the financial statements of Kildale Bidco Limited (the 'company') for the year ended 31 January 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2021 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.



As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health & safety. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any other relevant correspondence in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries, challenging judgements and estimates applied.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*25m UK Audit LLP*

Jonathan Lowe (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP,  
Statutory Auditor  
Chartered Accountants  
Bluebell House, Brian Johnson Way

Preston PR2 5PE

15 October 2021

**Profit and Loss Account and Other Comprehensive Income**  
*for the 52-week period ended 31 January 2021*

	<i>Note</i>	2021 £	2020 £
Administrative expenses		(605,690)	(558,534)
<b>Operating Loss</b>		<b>(605,690)</b>	<b>(558,534)</b>
Interest receivable and similar income	5	1	2
Interest payable and similar charges	6	(5,100,608)	(5,316,580)
<b>Loss before taxation</b>		<b>(5,706,297)</b>	<b>(5,875,112)</b>
Taxation	7	345,700	(2,956)
<b>Loss for the financial year and other comprehensive loss</b>		<b>(5,360,597)</b>	<b>(5,878,068)</b>

The notes on pages 11 to 19 form an integral part of these financial statements.

**Balance sheet**  
*at 31 January 2021*

	<i>Note</i>	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Investments	8		65,037,243		65,037,243
<b>Current assets</b>					
Debtors	9	126,135,345		125,864,598	
Cash		3,567,636		-	
		<u>129,702,981</u>		<u>125,864,598</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(81,710,003)</u>		<u>(73,310,097)</u>	
<b>Net current assets</b>			<u>47,992,978</u>		<u>52,554,501</u>
<b>Total assets less current liabilities</b>			113,030,221		117,591,744
<b>Creditors: amounts falling due after more than one year</b>	11		(97,172,306)		(96,370,276)
<b>Provisions for liabilities</b>	12		-		(2,956)
<b>Net Assets</b>			<u>15,857,915</u>		<u>21,218,512</u>
<b>Capital and reserves</b>					
Called up share capital	13		35,000,002		35,000,002
Profit and Loss Account	13		(19,142,087)		(13,781,490)
<b>Shareholder's funds</b>			<u>15,857,915</u>		<u>21,218,512</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 14<sup>th</sup> October 2021 and were signed on its behalf by:



**J L Jones**  
*Director*

Registered number 10986970

**Statement of Changes in Equity**  
*For the 52-week period ended 31 January 2021*

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
Balance at 4 February 2019	35,000,002	(7,903,422)	27,096,580
<b>Total comprehensive expense for the period</b>			
Loss for the period	-	(5,878,068)	(5,878,068)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the period	-	(5,878,068)	(5,878,068)
	<hr/>	<hr/>	<hr/>
<b>Balance at 2 February 2020</b>	<b>35,000,002</b>	<b>(13,781,490)</b>	<b>21,218,512</b>
	<hr/>	<hr/>	<hr/>

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
Balance at 3 February 2020	35,000,002	(13,781,490)	21,218,512
<b>Total comprehensive expense for the period</b>			
Loss for the period	-	(5,360,597)	(5,360,597)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the period	-	(5,360,597)	(5,360,597)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 January 2021</b>	<b>35,000,002</b>	<b>(19,142,087)</b>	<b>15,857,915</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 19 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

Kildale Bidco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Kildale Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Kildale Topco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on a 52-week basis to the 31 January 2021.

#### *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### *Going concern*

The company reported a Loss of £5,360,597 (2020: £5,878,068) for the 52-week period ended 31 January 2021 and as at 31 January 2021 has net assets of £15,857,915 and net current assets of £47,992,978. The company is an intermediate operating company within the Kildale Topco Limited group.

Kildale Bidco Limited is the intermediate parent of Amber Taverns Limited and provides the finance facilities to all other Group companies. The directors carried out a thorough review of the Group's activities and have projected the Group's performance forward on a variety of scenarios. These scenarios take into account the effect of government policy, the uncertain nature of the COVID-19 pandemic, the nature of facilities present and financial support available to the business, together with the performance of the business following the year end and the experience since the re-opening of the estate from May 2021. Kildale Topco Limited have offered continued financial support for the company for the 12 months following the date of approval of these accounts.

Due to the impact of the pandemic and the initial closure of the business for 15 weeks, the Group approached its lenders HSBC who provide the senior and revolving capex facilities and Ares who provide second lien and PIK facilities in order to revise the covenant tests to avert any breach of the facilities. Covenants are presently based on EBITDA for the previous 12 months and measured quarterly are interest cover, leverage and debt servicing.

Detailed modelling to demonstrate the impact on covenants from temporary closure were produced, given the reduced trading capacity and cash management for the 15-week closure period to July 2020. As a result, certain covenants were amended from April 2020, alongside the deferral of two quarters amortisation on the senior debt of £1m in total, payment of 50% of the second lien interest and capitalisation of the £456k balance onto the existing loan facility. These amended covenant tests were comfortably met.

## Notes (continued)

### 1 Accounting policies (continued)

A further reset was replicated in October 2020. However, with the ongoing uncertainty within the sector and indeed wider economy the lenders indicated their continued support, but they wanted to revisit the future quarters in February 2021 when there should be more clarity over the required amendments. At the balance sheet date, the bank had not agreed a waiver or amendment of these covenants from April 2021. In April 2021, a further reset was agreed with both lenders which permitted a further deferral of HSBC loan repayments in April and 50% in July. The covenant tests through to 30<sup>th</sup> January 2022 have been waived and replaced with a simple liquidity and ebitda test, thereafter they are on an adjusted test basis to mitigate the impact of the prolonged closure periods due to the nature of most tests looking back on the preceding 12 months. The standard covenant calculations will be reinstated from April 2022 but at amended levels until the legacy of the pandemic has been lapped.

Further support to the business was made available via an equity injection of £3m from the existing shareholders in November 2020 and a further £3.5m has been injected in April 2021 with a further £1.5m received by the end of July 2021.

Management have prepared various forecasts taking into account sensitivities and recent trading performance. Based on management's forecasts, support exhibited by lenders and the ultimate parent company and equity injections provided by shareholders, the directors consider the Company will be able to meet its liabilities as they fall due for the foreseeable future, and therefore continue to adopt the going concern assumption in preparing the financial statements.

#### *Basic financial instruments*

##### *Investment in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### *Taxation*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### *Other financial instruments*

##### *Financial instruments not considered to be basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

#### *Impairment excluding stocks, and deferred tax assets*

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### *Expenses*

##### *Interest receivable and Interest payable*

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Significant judgements and estimates*

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider that there are any significant judgements and key sources of estimation uncertainty.

### 2 Expenses and auditor's remuneration

*Included in loss are the following:*

#### *Auditor's remuneration:*

	2021 £	2020 £
Audit of these financial statements	1,000	1,000
Amounts receivable by the Company's auditor and its associates in respect of:		
- Taxation compliance services	500	500
	<u>1,500</u>	<u>1,500</u>

The company audit fee for the audit of Kildale Bidco Limited has been borne by Amber Taverns Limited, another group company.

## Notes (continued)

### 3 Staff numbers and costs

Other than the directors, there are no individuals employed by Kildale Bidco Limited.

### 4 Directors' remuneration

The directors received no remuneration for services provided to the company, as they were remunerated through Amber Taverns Limited, a related company, and no allocation of their fees is made to the Company as their services to this Company are considered to be negligible.

### 5 Interest receivable

	2021 £	2020 £
Interest receivable	1	2
	<u>1</u>	<u>2</u>

### 6 Interest payable and similar charges

	2021 £	2020 £
On bank loans	2,991,330	2,970,094
On all other loans	2,093,123	2,063,437
Net loss on financial assets measured at fair value through profit and loss	16,155	283,049
	<u>5,100,608</u>	<u>5,316,580</u>

### 7 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021 £	2020 £
<i>Current tax</i>		
UK corporation tax charge on profit for the period	-	-
Total current tax	-	-
<i>Deferred tax – see note 12</i>		
Origination and reversal of timing differences	(345,700)	2,956
Total deferred tax	(345,700)	2,956
	<u>(345,700)</u>	<u>2,956</u>
Tax on loss	(345,700)	2,956



## Notes (continued)

### 7 Taxation (continued)

	£	2021 £	£	£	2020 £	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	-	345,700	345,700	-	(2,956)	(2,956)
Total tax	-	345,700	345,700	-	(2,956)	(2,956)

#### Reconciliation of effective tax rate

	2021 £'000	2020 £'000
Loss for the period	(5,360,598)	(5,878,067)
Total tax expense	(345,700)	2,956
Loss (excluding taxation)	(5,706,298)	(5,875,111)
Tax using the UK corporation tax rate of 19% (2020: 19%)	(1,084,197)	(1,116,271)
Group relief	129,888	1,095,900
Expenses not deductible for tax	214,037	(33,121)
Transfer pricing adjustment	394,224	-
Adjustments to Avg tax rate deferred tax	348	50,000
Total tax expense included in profit or loss	(345,700)	(2,956)

#### Factors affecting the tax charge in future periods

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 19% which was the tax rate substantively enacted at 31 December 2020.

### 8 Fixed asset investments

	Investments in subsidiary companies £
Company	
Cost and net book value	
At 31 January 2021 and 2 February 2020	65,037,243

## Notes (continued)

### 8 Fixed asset investments (Continued)

#### Subsidiary undertakings

The Company has the following investments in subsidiaries:

(i) The Victory Offices. 112 Victory Road, Blackpool. Lancashire FY1 3NW						
	Registered Office	Principal Activity	Class of shares held	Ownership 2021 %	Ownership 2020 %	Indirect Company Owned By
Ingleby (1951) Limited	(i)	Parent Holding Company	Ordinary	100	100	Kildale Bidco Limited
Ingleby (1952) Limited	(i)	Intermediate Holding Company	Ordinary	100*	100*	Ingleby (1951) Limited
Melli Limited	(i)	Intermediate Holding Company	Ordinary	100*	100*	Apis Limited
Apis Limited	(i)	Intermediate Holding Company	Ordinary	100*	100*	Ingleby (1952) Limited
Amber Taverns Limited	(i)	Public House Management	Ordinary	100*	100*	Melli Limited

\* Indirect holding.

### 9 Debtors: amounts falling due within one year

	2021 £	2020 £
Amounts owed by group undertakings	125,618,323	125,618,323
Prepayments and accrued income	173,044	228,886
Deferred Taxation asset	342,744	-
Other financial assets (see note 14)	1,234	17,389
	<u>126,135,345</u>	<u>125,864,598</u>

### 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	65,061,182	69,583,206
Bank overdrafts	-	444,583
Other creditors	290,000	614,784
Accruals and Deferred income	20,000	-
Bank loan	16,338,821	2,667,524
	<u>81,710,003</u>	<u>73,310,097</u>

## Notes (continued)

### 11 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the interest-bearing loans and borrowings, which are measured at amortised cost.

	2021 £	2020 £
<b>Creditors falling due within less than one year</b>		
Bank loans	16,338,821	2,667,524
	<u>16,338,821</u>	<u>2,667,524</u>
<b>Creditors falling due more than one year</b>		
Bank loans	67,256,302	67,581,051
Other loans	29,916,004	28,789,225
	<u>97,172,306</u>	<u>96,370,276</u>

Bank loans are represented by amounts repayable by variable quarterly instalments which resumed in July 2021 following the re-opening of the business following the Covid-19 pandemic, before settlement of the outstanding balance on 26 October 2023. Interest is charged on the loan at 3.00% above LIBOR (replaced with SONIA from May 2021). The loan is secured against various holdings of freehold land, owned by Amber Taverns Limited, a related party.

Included within other loans are amounts repayable of £29,405,725 on 26 October 2024. Interest is charged on the loan at 8.76%. The loan is secured against various holdings of freehold land, owned by Amber Taverns Limited, a related party.

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Within one year	16,338,821	2,667,524
Between one to two years	2,522,468	1,668,111
Between two to five years	94,649,838	94,702,165
Over five years	-	-
	<u>113,511,127</u>	<u>99,037,800</u>

## Notes (continued)

### 12 Provisions for Liabilities

	2021 £	2020 £
Deferred Taxation	-	2,956

Deferred tax assets and liabilities are attributable to the following:

	Assets 2021 £	2020 £	Liabilities 2021 £	2020 £	Net 2021 £	2020 £
Short term timing differences	342,744	-	-	(2,956)	342,744	(2,956)
Tax assets / (liabilities)	342,744	-	-	(2,956)	342,744	(2,956)

### 13 Share Capital

	2021 £	2020 £
<i>Allotted, called up and fully paid</i> 35,000,002 ordinary shares of £1 each	35,000,002	35,000,002

### Profit and Loss account

Includes all current and prior period retained profits and losses net of distribution to owners.

### 14 Financial instruments

The carrying amount of the Company's financial instruments measured at fair value through profit or loss at 31 January were:

	2021 £	2020 £
Financial assets measured at fair value through profit or loss	1,234	17,389

#### *Derivative financial instruments*

The fair value of the interest rate cap is derived by using a mark-to-market valuation method.

The fair value of the interest rate cap is intrinsically linked to the market's expectations of future interest rates.

The change in fair value, as confirmed by external sources, of the financial asset during the period has been quantified as being a decrease of £16,155 (2020: 320,717).

## Notes (continued)

### 15 Related party transactions

Advantage has been taken at the exemption given within FRS 102 Section 33 "Related Party Transactions" to wholly owned subsidiaries, not to disclose related party transactions with members of the group.

There is a composite Unlimited Multilateral Guarantee given by Kildale Parentco Limited, Kildale Bidco Limited, Ingleby (1951) Limited, Ingleby (1952) Limited, Apis Limited, Melli Limited, Amber Taverns Limited. There is a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debtors and a first floating charge over all assets and undertaking both present and future, initially dated 27 October 2017 and with supplementary security given on 22 April 2021.

Transactions between the Company and its ultimate controlling party are disclosed below:

	2021	2020
	£	£
Management Charge	487,500	650,000

### 16 Ultimate parent undertaking and controlling party

The Company is a subsidiary of Kildale Parentco Ltd. The ultimate parent Company is Kildale Topco Limited, which is the largest group in which the Company is a member and for which Group Financial Statements are drawn up. Kildale Bidco Ltd is also included in the consolidation accounts of Kildale Parentco along with all the subsidiary companies. Kildale Topco Limited and Kildale Parentco are registered in England. Copies of their consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is MXP Partners LLP who own 61% as shareholder of Kildale Topco (2020: MXP Partners LLP).